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21 February 1950

OGC HAS REVIEWED.

MEMORANDUM TO THE FILES

SUBJECT: Communication Invention - [REDACTED] 25X1A

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1. [REDACTED] is the inventor of a communications device in which the Agency is presently interested. No patent has yet issued, but two applications are now on file with the Patent Office, and, so far, there is no interference proceeding. CIA Communications was very interested in the device, but was somewhat doubtful at first as to the best method of procurement.

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2. A conference was held on 31 January with [REDACTED] and his backer, [REDACTED]. Those present for CIA were, [REDACTED]

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[REDACTED] and [REDACTED] of the Contract Section, SSS, [REDACTED]

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Communications, and the writer. The inventor was seeking a commercial outlet as well as having an extensive patent search made by two separate firms. They indicated that they were in the course of negotiations with various manufacturers, but in view of our interest wanted to be certain that they selected one acceptable to us.

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[REDACTED] indicated that it would probably be preferable from our standpoint to make it available to the public market since established usage would provide better security for the Agency. The device can be adapted for Agency use by the addition of a small alteration which would not be detected, and the basic security risk would be in isolated use by the Agency alone. No commitments were made, and we decided to meet [REDACTED] again when he had had a report from his patent counsel.

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3. On 17 February, [REDACTED] met with the same personnel indicated above. The report of his patent attorneys was so far very favorable, and we informed [REDACTED] that we would like to have four units for test as soon as they could be produced by a manufacturer. In the meantime he will continue his attempt to discover a manufacturer who is willing to purchase complete title in the invention. Neither [REDACTED] nor his backer is interested in manufacturing or assuming any of the obligations of defending infringement actions, and for that reason do not wish to retain title. Our present intention is to make a research and development contract with the ultimate buyer of the patent.

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4. Since [REDACTED] is at the present time an employee of the Federal Communications Commission, there is some question of the Government's rights in his basic invention. Under Executive Order 10096

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It appears that the matter should be submitted to the Government Patents Board before any payments can be authorized for [REDACTED] or a subsequent assignee. The Chairman of the Board has not yet been appointed, and the regulatory procedure has not been established. It is my understanding that the appointment of the Chairman and some initial steps will probably be taken this week. It will be necessary to obtain some clear indication from the Board that the invention is [REDACTED] sole property and that the Government has no royalty-free "shop-rights" in the invention before any procurement can be initiated.

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